

FOR IMMEDIATE RELEASE

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Contact: Tom Waldron

Associated Black Charities Releases Information about Healthy Holly Books

BALTIMORE – Associated Black Charities today released information about its involvement with Healthy Holly, LLC.

On March 28, 2019, in accordance with its fiduciary responsibility and in an effort to provide transparency and affirmative disclosure, the Associated Black Charities' (ABC) Board of Directors disclosed information about ABC's purchase of Healthy Holly books to the appropriate entities. By disclosing those matters, ABC was not suggesting that any person or entity referenced therein has engaged in any misconduct. Rather, the disclosure was made to inform the relevant entities of facts ABC had in its possession that may be relevant to the matters raised in recent news reports concerning Healthy Holly, LLC.

Pending review of the disclosure by those entities as well as the completion of ABC's record review, ABC will not comment further beyond this statement.

Factual Background

ABC's involvement began in 2011 with the goal of furthering ABC's wealth and health disparities agenda including a focus on childhood obesity and expanding knowledge about ABC's agenda. In discussions with then-Senator Pugh, ABC learned of the Senator's book focusing on childhood healthy behavior. This idea resonated with ABC because it fit well with the organization's mission at the time of addressing racial health disparities, including high rates of obesity among African-American children.

A preliminary review of ABC records reflects that Associated Black Charities received 4,500 copies of the 10,000 Healthy Holly books purchased for direct distribution to African-American children. They further reflect that of the 4,500 books received, 4,100 were distributed to child care centers and youth-serving organizations in Baltimore and on the Eastern Shore of Maryland. Of the books distributed, 3,000 included a bookmark urging parents to read to their children and to thank the author Catherine Pugh and the donors. Approximately 400 books were water-damaged and were not delivered and not replaced. Healthy Holly, LLC retained the responsibility to directly distribute the remaining 5,500 books paid for by donors.

Between 2011 and 2016, five organizations donated \$87,180 to ABC to pay for the books, of which ABC retained a gross sum of \$9,552, which was used for general support.

While the project fulfilled ABC's goal to share health-positive books with children, ABC re-examined the project after media accounts raised questions about other Healthy Holly book purchases.

After that review, on March 26, 2019, the ABC Board of Directors took the following steps:

- The Board unanimously passed a resolution prohibiting ABC from entering into any business arrangements with any elected officials or any politically appointed persons, regardless of the person's product and its relationship to ABC's core mission and agenda.
- The Board unanimously authorized an independent financial review of donations as well as the source of those donations to determine if any other ABC transactions involved an elected official or politically appointed official.
- The Board's Finance Committee was charged with developing a process to review ABC vendors and their appropriateness to do business with ABC.
- The Board unanimously voted to return the gross funds, \$9,552, that ABC received. That amount will either be returned to the original funders or will be donated to a local charity focused on childhood health issues.

Diane Bell-McKoy, President and CEO of ABC since 2006, issued the following statement about the Healthy Holly book project:

"ABC took on this project with the goal of putting 'mirror image' books into the hands of African-American children to help them learn about healthy behaviors and to bring greater attention to the issue of health disparities — goals that meshed with ABC's priorities. We achieved that goal by sharing books with child care centers, youth-serving organizations and other organizations in both Baltimore and on the Eastern Shore. We have carefully reviewed these transactions and have taken steps to ensure a situation like this does not occur again. ABC is proud of its record of addressing racial disparities in Baltimore and throughout Maryland, and we remain committed to the highest standards in our fundraising, grantmaking and service delivery."

ABC Board Chair Dominique Moore issued the following statement:

"While we are confident ABC acted with the right intentions in this book project, we are sharing this information because ABC's work is too important to allow even the perception of any wrongdoing to exist. After reviewing these transactions over the past few days, the Board has determined that aspects of these transactions did not conform to our high organizational standards. We have acted to ensure ABC does not take part in any transactions with elected officials' personal businesses in the future and will return all funds that came to ABC as part of the book project. We are also committed to an independent review to ensure there were no other similar circumstances."

About Associated Black Charities

Associated Black Charities (ABC) works to dismantle systemic, race-based barriers and expand economic opportunities for African Americans and other people of color in Maryland. ABC is a leading force in the region for racial equity and inclusion, highlighting long-standing structural issues that impede people of color and engaging employers, elected officials and the public in implementing lasting solutions to address them.